

From: [Crossland, Ronnie](#)
To: [Lyssy, Gregory](#); [McAteer, Mike](#); [Mason, Steve](#); [Honker, William](#)
Subject: FW: Hurricane Harvey - Update 9/2/2017 0800 hr
Date: Wednesday, September 6, 2017 1:53:05 PM
Attachments: [OI ARRA Fraud Booklet ADMINISTRATORS.pdf](#)

From: (b) (7)(C)

Sent: Wednesday, September 06, 2017 2:49 PM

To: Payne, James ; Taheri, Diane ; Carroll, Craig ; Crossland, Ronnie ; Edlund, Carl ; Phillips, Pam ; Gray, David ; Harrison, Ben

Cc: Coleman, Sam ; McDonald, James

Subject: RE: Hurricane Harvey - Update 9/2/2017 0800 hr

https://www.epa.gov/office-inspector-general/epa-oig-hotline#file_now

ALL: Please distribute the link and electronic pamphlet to all Federal Operational Centers and in communities if deemed necessary-in a concerted effort to prevent, deter and detect fraud, waste and abuse.

Thanks.

From: Payne, James

Sent: Wednesday, September 06, 2017 1:06 PM

To: (b) (7)(C)

Cc: Taheri, Diane <Taheri.Diane@epa.gov>; Carroll, Craig <Carroll.Craig@epa.gov>; Crossland, Ronnie <Crossland.Ronnie@epa.gov>; Edlund, Carl <Edlund.Carl@epa.gov>; Phillips, Pam <phillips.pam@epa.gov>; Gray, David <gray.david@epa.gov>; Harrison, Ben <Harrison.Ben@epa.gov>

Subject: RE: Hurricane Harvey - Update 9/2/2017 0800 hr

Hi Edwin,

Thanks for your note below.

Diane Taheri reported today that she has heard of some individuals in the affected area posing as federal officials and then attempting to sell goods or services.

Let her and us know if there is an informational message, link, handout etc that you'd suggest using to educate about and report attempted fraud etc?

Cc'ing here Diane and some others involved in the emergency response.

Jim

From: (b) (7)(C)

Sent: Saturday, September 02, 2017 10:41 AM

To: Smalley, Bryant <smalley.bryant@epa.gov>

Cc: Hurricane Harvey Principals <Hurricane_Harvey_Principals@epa.gov>; Peterson, Mary <Peterson.Mary@epa.gov>; Jackson, Ryan <jackson.ryan@epa.gov>; Eoc, Epahq <Eoc.Epahq@epa.gov>

Subject: Re: Hurricane Harvey - Update 9/2/2017 0800 hr

Thanks very much for the attached document. Please do not hesitate to contact me or my office for any OIG needs in the hurricane ravaged areas. Thanks.

Sent from my iPhone



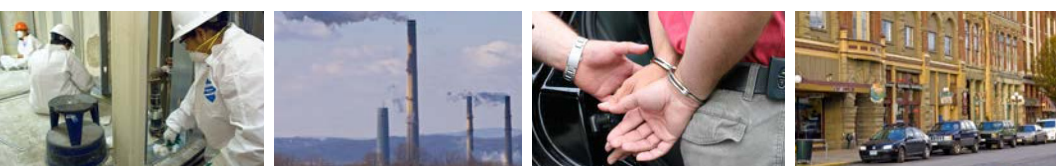
9719539

On Sep 2, 2017, at 7:25 AM, Smalley, Bryant <smalley.bryant@epa.gov> wrote:

Please see the September 2, 2017 0800 update.

Bryant Smalley

REOC Manager



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Office of Inspector General

FRAUD, WASTE, AND ABUSE

*Prevention, Detection, and Reporting
for Federal, State, Local, and Tribal Administrators*

www.epa.gov/oig





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Office of Inspector General

"Catalyst for Improving the Environment"

WHO WE ARE

The Office of Inspector General is an independent office within EPA that helps the Agency protect the environment in a more efficient and cost effective manner. We consist of auditors, program analysts, investigators, and others with extensive expertise.

WHAT WE DO

We perform audits, evaluations, and investigations of EPA and its contractors, grantees, and recipients of other Federal funds to promote economy and efficiency, and to prevent and detect fraud, waste, and abuse. We also maintain the OIG Hotline.

WHY WE DO IT

We strive to serve as a catalyst for improving the environment. By helping the Agency operate more economically, effectively, and efficiently, we contribute to improved environmental quality and human health. We strive to provide solutions to problems that ultimately result in making America a cleaner and healthier place.

OUR MISSION

Add value by promoting economy, efficiency, and effectiveness within EPA and the delivery of environmental programs. Inspire public confidence by preventing and detecting fraud, waste, and abuse in Agency operations and protecting the integrity of EPA programs.

"There is no kind of dishonesty into which otherwise good people more easily and frequently fall than that of defrauding the government."

Benjamin Franklin

Remember, Act Like It's Your Money — It Is!

FRAUD, WASTE, AND ABUSE

Prevention, Detection, and Reporting for Federal, State, Local, and Tribal Administrators

Fraud, Waste, and Abuse...What is it?

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What is Fraud

Simply – fraud is a false representation about a material fact.

It is any intentional deception designed to deprive the United States, or the EPA, unlawfully of something of value or to secure from the United States, or the EPA, for an individual a benefit, privilege, allowance, or consideration to which he or she is not entitled.

What is Waste

It is the extravagant careless, or needless expenditure of Government funds, or the consumption of Government property that results from deficient practices, systems, controls, or decisions. The term also includes improper practices not involving prosecutable fraud.

What is Abuse

It is the intentional or improper use of Government resources. Examples include misuse of rank, position, or authority or misuse of resources such as tools, vehicles, or copying machines.

Strive for Accountability and Integrity



How Can I Tell if Fraud, Waste, and Abuse is Occurring?

You can tell if fraud, waste, and abuse are occurring by looking for “fraud indicators.”

Fraud indicators are clues that may warrant further review of a specific area or activity.

Some of the indicators of fraud include:

- No separation of duties.
- Lack of internal controls.
- High turnover of personnel.
- Unexplained entries or altered records.
- Unusually large amounts of payments for cash.
- Inadequate or missing documentation.
- Non-serial number transactions.
- Unauthorized transactions.

While the above occurrences are indicators of fraud, they could also be indicators of weak or poor business practices without actual fraud occurring; but such indicators can often lead to opportunities to commit fraud.

As a Federal, State, Local, or Tribal Administrator, What Can I Do to Avoid Trouble ?

- Report any irregularities early to your EPA point of contact.
- Correct any audit findings promptly.
- Have a system of checks and balances.
- Create and follow established procedures.

Above all else, If you have any questions or concerns, ask your EPA contact. We are here to assist you. We want you to succeed.

If you are a federal employee, you are duty bound to report Fraud, Waste, Abuse, and Corruption under the Code of Federal Regulations (CFR):

“Employees Shall Disclose Waste, Fraud, Abuse, and Corruption to Appropriate Authorities.” 5 CFR 2635.101(b)(11)

Remember, Act Like It's Your Money – It Is!

Common Fraud Schemes ... What to Look for From Your Suppliers, Vendors, Contractors or Subcontractors

Prohibited Practices Before the Award of a Contract

Bribery and Kickbacks

Giving or receiving a thing of value for the purpose of influencing an official act or an award.

- Unexplained increase in wealth.
- Promise of a thing of value to ignore, disregard or dismiss a required action, inspection, or activity as required by law, or by the contract.

Conflict of Interest

Government personnel using their official duties to garner personal or financial gain.

- Acceptance of gifts from a vendor or contractor.
- Numerous sole source awards to same contractor.
- Poor performance history, yet contractor continues to receive awards.

Unbalanced Bidding

Contracting personnel providing a favored bidder with information in the bid process.

- Particular line item bids appear to be unreasonably low.
- Change orders issued soon after contract award deleting or modifying line items.

Prohibited Practices After the Award of a Contract

Defective Pricing

Contractor's failure to disclose all facts that affect their cost for pricing products or services.

- Not disclosing significant cost issues that will reduce contractor's proposed costs.
- Indications of falsification or alteration of supporting data.
- Denial of the existence of historical records.

Strive for Accountability and Integrity



Cost Mischarging

Improper allocation of costs to a cost contract or charging at higher than allowed rates.

- Labor time and charges inconsistent with project progress.
- Time cards completed by management and not individual employees.
- Inability to produce time cards immediately when requested.
- Lower level work being done by high level wage earners.

Product Substitution

Contractors deliver goods which do not conform to contract requirements without making proper notifications.

- Falsification of test results, or delivery of counterfeit products.
- Providing foreign made products where domestic products are required.
- Using one coat of paint instead of two, or using watered loads of concrete.

False Statements and False Claims

Contractor who knowingly and willfully falsifies or conceals a material fact, knowing the same contains any materially false statement or entry.

- Discrepancies between reported facts and supporting documentation.
- Inability or refusal to provide supporting documentation.
- Site inspection reveals less progress on the site than reported.

What Should You do if You Suspect Fraudulent Activity, Waste, or Abuse

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- ✓ **DO** contact the OIG Hotline.
- ✓ **DO** discuss your concerns with the OIG.
- ✓ **DO** seek answers to your questions in the normal course of business.
- ✓ **DO** cooperate with the OIG and expect to be contacted and involved.
- ✗ **DON'T** feel compelled to “prove” a case or intent.
- ✗ **DON'T** “tip off” subjects of actual or pending investigation.
- ✗ **DON'T** “stop” your normal course of business unless otherwise directed.

We all have a choice, choose to do the right thing

Report Suspected Fraud Activity to Our Office

You can Place a Telephone Call to Our 24-hour Hotline

(888) 546-8740

You Can Mail Us

U.S. Environmental Protection Agency
Office of Inspector General Hotline (2443)
1200 Pennsylvania Avenue, NW
Washington, DC 20460

You Can E-mail Us

OIG_Hotline@epa.gov

Or You Can Contact Our Offices Directly

Northeastern Resource Center
Arlington, VA
(703) 347-8740

Eastern Resource Center
Atlanta, GA
(404) 562-9857

Central Resource Center
Chicago, IL
(312) 353-2507

Western Resource Center
San Francisco, CA
(415) 947-4507

Protecting our Environment for Our Children's Future



REMEMBER

Preserving and protecting America's land, skies and waters rest with you.

You are the eyes and ears "on the ground."

Your efforts are critical to the success of our environmental mission.

You can make a difference.

